Supreme Court, U.S.
FILED
JUL 5 1991
OFFICE OF THE CLERK

No. 90-1815

In The

Supreme Court of the United States

October Term, 1991

THOMAS M. MURPHY, d/b/a
THOMAS M. MURPHY & ASSOCIATES,

Petitioner,

v.

PROVIDENT MUTUAL LIFE INSURANCE COMPANY OF PHILADELPHIA, AIMS, INC., MASSACHUSETTS ASSOCIATION PLANS, INC., and HARLEYSVILLE INSURANCE COMPANIES,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

REPLY BRIEF FOR THE PETITIONER

STEPHEN M. TRATTNER
LEWIS & TRATTNER
Suite 803
1901 L Street, N.W.
Washington, D.C. 20036
(202) 331-1416

JAMES D. HOLZHAUER
Counsel of Record
LEE N. ABRAMS
MAYER, BROWN & PLATT
190 South LaSalle Street
Chicago, Illinois 60603
(312) 782-0600

Counsel for Petitioner

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

TABLE OF CONTENTS

Page

Reply Brief for the Petitioner 1

Conclusion 10

TABLE OF AUTHORITIES

Page

CASES

AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531 (11th Cir. 1986), cert. denied, 481 U.S. 1041 (1987).....6, 7

Anderson v. Liberty Lobby, Inc., 477 U.S. 242 (1986) 3

Application of Colonial Stores, Inc., 394 F.2d 549 (C.C.P.A. 1968) 8

Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc., 781 F.2d 604 (7th Cir. 1986)..... 8

Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc., 659 F.2d 695 (5th Cir. 1981), cert. denied, 457 U.S. 1126 (1982) 8

In Re Advertising & Marketing Development, Inc., 821 F.2d 614 (Fed. Cir. 1987)..... 4

In Re Dr. Pepper Co., 836 F.2d 508 (Fed. Cir. 1987) 4

LeSportsac, Inc. v. K Mart Corp., 754 F.2d 71 (2d Cir. 1985)..... 8

Louisiana World Exposition, Inc. v. Logue, 746 F.2d 1033 (5th Cir. 1984).....6, 8

Marathon Mfg. Co. v. Enerlite Products Corp., 767 F.2d 214 (5th Cir. 1985)..... 2

Menendez v. Holt, 128 U.S. 514 (1888)..... 9

Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co., 316 U.S. 203 (1942)..... 6

Plus Products v. Plus Discount Foods, Inc., 722 F.2d 999 (2d Cir. 1983) 2

TABLE OF AUTHORITIES – Continued

Page

Scandia Down Corp. v. Euroquilt, Inc., 772 F.2d 1423 (7th Cir. 1985), cert. denied, 475 U.S. 1147 (1986) 1

Sweats Fashions, Inc. v. Pannill Knitting Co., 833 F.2d 1560 (Fed. Cir. 1987) 2

University of Ga. Athletic Ass'n v. Laite, 756 F.2d 1535 (11th Cir. 1985) 6, 8

MISCELLANEOUS

J. McCarthy, *Trademarks and Unfair Competition* (2d ed. 1984) ..... *passim*

No. 90-1815

In The

Supreme Court of the United States

October Term, 1991

THOMAS M. MURPHY, d/b/a
THOMAS M. MURPHY & ASSOCIATES,

Petitioner,

v.

PROVIDENT MUTUAL LIFE INSURANCE COMPANY OF PHILADELPHIA, AIMS, INC., MASSACHUSETTS ASSOCIATION PLANS, INC., and HARLEYSVILLE INSURANCE COMPANIES,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Second Circuit

REPLY BRIEF FOR THE PETITIONER

1. Respondents do not attempt to refute our argument (Pet. 11-16) that the courts of appeals are in conflict over the critical issue of whether likelihood of confusion is a question of law or a question of fact. See 2 J. McCarthy, *Trademarks and Unfair Competition* § 23:22, at 111-112 (2d ed. 1984) ("*McCarthy*"). The majority of the circuits have joined the Seventh Circuit in holding that "the question of likelihood of confusion is all fact and no law." *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 1428 (7th Cir. 1985) (Easterbrook, J.), cert. denied, 475 U.S. 1147

(1986). But the Second Circuit in this case applied its rule that "the ultimate determination of likelihood of confusion" is a question of law (Pet. App. 8a) and that the trial court, rather than the jury is responsible for "balancing" or "weigh[ing]" all of the facts and circumstances to determine whether confusion is likely. *Plus Products v. Plus Discount Foods, Inc.*, 722 F.2d 999, 1004-1005 (2d Cir. 1983).

The issue of whether likelihood of confusion is a question of law or one of fact arises most often when there is a dispute as to the standard of review on appeal. But the issue is also of great significance at the summary judgment stage. Courts in the Second Circuit and in the other circuits that regard likelihood of confusion as a question of law take it upon themselves to weigh the facts and circumstances and to decide whether potential customers are likely to be confused. As the Federal Circuit has put it, because likelihood of confusion is a question of law, the trial court "may unquestionably resolve that issue on summary judgment." *Sweats Fashions, Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 1565 (Fed. Cir. 1987). But in the circuits that regard likelihood of confusion as purely a question of fact, it will ordinarily be the function of the jury to determine whether customers are likely to be confused; when that factual issue is genuinely in dispute, summary judgment will be inappropriate. See, *e.g.*, *Marathon Mfg. Co. v. Enerlite Products Corp.*, 767 F.2d 214, 217 (5th Cir. 1985).

In this case, the significance of the Second Circuit's rule is particularly apparent from the analysis by the courts below of the fact that "the names of the products and the plan administrators [were] clearly indicated" on

both advertisements. (Pet. App. 9a.) The district court held that "[t]here is hardly likelihood of confusion" under such circumstances. *Id.* at 29a. The court of appeals, based on its "own examination of [respondents'] advertisement" (*id.* at 9a-10a) found that there could be no likelihood of customer confusion. But it is beyond dispute that in the majority of circuits that regard likelihood of confusion as a question of fact, it would have been left for the jury to decide whether, considering all of the evidence (including the inclusion of names in the ads), confusion was likely.

This Court should grant the petition to resolve the conflict among the circuits over this critical issue and to establish that in cases under the Lanham Act, as elsewhere, it is not the trial court's function "at the summary judgment stage * * * to weigh the evidence and determine the truth of the matter." *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986).

2. Rather than addressing the significant and troubling legal issues raised by the petition, respondents attempt to divert attention from these issues by arguing that the court of appeals held that petitioner had no "protectable trademark or service mark rights in the thermometer graphic" (Br. in Opp. 5) and that respondents were therefore "free to use the thermometer graphic in their advertising". *Id.* at 9.[1] In respondents' view, the

---

[1] Petitioner does *not* argue that he has any protectable right to exclusive use of a "hot" theme, only that he has an exclusive right to use the distinctive bursting-thermometer graphic that he developed to symbolize and identify his "hot" insurance plans.

court of appeals' discussion of likelihood of confusion and secondary meaning – as well as Judge Kearse's dissent on those issues – was mere dicta. But respondents' argument begs the crucial question of *why* the court of appeals held that petitioner had no protectable interest in the graphic. The court reached that conclusion because it found that petitioner had not shown secondary meaning or likelihood of confusion – and in making that finding the court necessarily considered and decided the legal issues presented by the petition.

The court of appeals discussed at length (Pet. App. 4a-6a) whether petitioner's claim was properly one of trademark or service mark infringement, but in the end did not find it necessary to resolve that question because "under the facts of this case, it makes little difference whether [petitioner] is claiming a trademark or a servicemark. * * * Whether a mark is one or the other, the standards for determining infringement are essentially the same." (Pet. App. 6a.)[2] The court then went on to

---

[2] Because the court of appeals found it unnecessary to decide whether petitioner's claim was properly one for trademark infringement or instead one for service mark infringement, its citation (Pet. App. 5a) of *In re Dr. Pepper Co.*, 836 F.2d 508 (Fed. Cir. 1987) and *In re Advertising & Marketing Development, Inc.*, 821 F.2d 614 (Fed. Cir. 1987), was dictum, as was the passage of its opinion quoted at length by respondents at pages 7-8 of their Brief in Opposition. There can be no doubt that petitioner was offering *either* products or services (one or the other) and therefore was entitled to either trademark or service mark protection if the prerequisites for such protection were met. This case is therefore not at all analogous to *In re Dr. Pepper* (which held that a contest to promote one's own goods was not a service) or *In re Advertising & Marketing, Inc.* (which held that advertising and promotion performed for others *was* a service).

examine whether petitioner had a protectable interest in the distinctive bursting-thermometer graphic. (Pet. App. 6a-10a.) The court held that the mark was "descriptive" (*id.* at 6a); that petitioner "could prevail only if he established that the mark had acquired secondary meaning and that there was a likelihood of confusion as to the source of the insurance plans represented in the advertisement" (Pet. App. 7a); and that, as a matter of law, there was no likelihood of confusion. (Pet. App. 9a-10a.)

In no respect was the court's analysis of the issues presented by the petition (or Judge Kearse's sharp disagreement with that analysis) mere dictum or unnecessary to its affirmance of summary judgment. The court of appeals held that petitioner had no protectable rights in the thermometer graphic *because* in its view the mark was "descriptive" and there was no likelihood of confusion as a matter of law. As we point out in the petition, the court of appeals' analysis in several respects departs from the approach taken in similar cases by other circuits. Review by this Court is necessary to ensure that rights to trademark and service mark protection do not vary from circuit to circuit across the country.[3]

---

[3] Respondents are correct in pointing out (Br. in Opp. 6, 8 n.1) that the magistrate held in part that the bursting-thermometer graphic was not a valid trademark or service mark because it "functioned as an 'attention-getting device' rather than an identifying mark" and was used "to *promote*" petitioner's dental plan. (Pet. App. 25a.) The court of appeals did not rely on that rationale, however, and was astute in not doing so. This Court and others have long recognized that one of the many proper – and protectable – purposes of a mark is to promote

(Continued on following page)

3. Contrary to respondents' assertions (Br. in Opp. 12-13), we do not claim that there is a conflict among the circuits on the question of whether a showing of secondary meaning is required for merely descriptive marks. Instead, we argue (Pet. 21-24) that the court of appeals' conclusion that petitioners' distinctive graphic was "merely descriptive" simply because it exemplified a characteristic of the insurance plan cannot be reconciled with decisions of other circuits. See *e.g., AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1536-1537 (11th Cir. 1986) (holding that a distinctive design that exemplifies a quality – coldness – of the product is not merely descriptive), cert. denied, 481 U.S. 1041 (1987); *University of Ga. Athletic Ass'n v. Laite*, 756 F.2d 1535, 1541 n.16 (11th Cir. 1985) (University's distinctive bulldog symbol is not merely descriptive even though it suggests some attributes of the football team); *Louisiana World Exposition, Inc. v. Logue*, 746 F.2d 1033, 1040 (5th Cir. 1984) (distinctive mark that

---

(Continued from previous page)

products or services. Trademark users seek to take advantage of "the psychological function of symbols" and to establish "the drawing power of a congenial symbol"; "[i]f another poaches upon the commercial magnetism of the symbol * * *, the owner can obtain legal redress." *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942). See also 1 *McCarthy* § 3:5, at 115-116 (discussing the advertising function of trademarks). Such well-known service marks as McDonalds' golden arches and the Dreyfus lion serve as "attention-getting" or promotional devices; surely they do not lose their protected status for that reason.

exemplifies the theme of the New Orleans World's Fair is not merely descriptive).[4]

Respondents assert – without any support – that "[e]very circuit uses the same definition for a descriptive mark, i.e., it tells something about the product/service." (Br. in Opp. 13.) That does seem to be the operative definition in the Second Circuit, but it is certainly *not* the rule in every circuit. *AmBrit, University of Ga. Athletic Ass'n, Louisiana World Exposition* and the other cases cited in the petition (at 21-24) stand for the contrary proposition that in other circuits marks are not merely descriptive even though they "tell something about" the product or service (as many marks do). In those courts, a mark is not regarded as "merely descriptive" unless the *only* thing it does is describe or depict the product or service. In other words, a mark must be *merely* descriptive

---

[4] We do demonstrate in the petition (at 24-25) that there is a conflict among the circuits over whether a showing of secondary meaning is required in every case involving unregistered, nonverbal marks. The court of appeals invoked its rule (followed also by the Sixth and Eighth Circuits) that secondary meaning is *always* required in such cases as an alternative ground for its decision. (Pet. App. 7a.) The Federal, Fifth, Seventh and Eleventh Circuits – along with the leading trademark commentator – disagree. See Pet. 25; 2 *McCarthy* § 27:3, at 349-350 and Supp. 1990 at 109. Respondents have made no serious effort to refute the existence of this important legal conflict, but instead point to unimportant factual distinctions between the cases, such as the fact that some of the cases involve trade dress claims (an inconsequential distinction we discuss *infra* p. 8). Whatever the precise facts of each case, the courts of appeals clearly apply conflicting legal rules, and at least four circuits would have decided this issue differently than the Second Circuit decided it. This Court should grant the petition to resolve that conflict.

to fall within this category of diminished protection. See also *Application of Colonial Stores Inc.*, 394 F.2d 549, 552-553 (C.C.P.A. 1968) ("Sugar and Spice" trademark for food products is not merely descriptive because it "does not tell the potential purchaser *only* what the goods are, their function, their characteristics or their use * * * "); 1 *McCarthy* § 11:6 at 446-447 & § 11:22, at 498.

4. Respondents claim that *AmBrit* and some of the other cases cited in the petition should be disregarded because they involve trade dress, rather than trademark or service mark infringement, but that distinction does not make a difference. The legal analysis of secondary meaning and likelihood of confusion are identical in trademark, service mark and trade dress cases. See, *e.g.*, *Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc.*, 781 F.2d 604, 608 (7th Cir. 1986); *LeSportsac, Inc. v. K Mart Corp.*, 754 F.2d 71, 75 (2d Cir. 1985); *Chevron Chem. Co. v. Voluntary Groups, Inc.*, 659 F.2d 695, 702-703 (5th Cir. 1981), cert. denied, 457 U.S. 1126 (1982); 1 *McCarthy* § 8:3, at 287 & n.3, and additional cases cited therein. In any event, both *University of Ga. Athletic Ass'n* and *Louisiana World Exposition* are trademark or service mark cases. And there is absolutely no reason to believe that the circuits that disagree with the Second Circuit would abandon their longstanding rules and instead decide this case as the court below decided it merely because of the inconsequential factual distinctions offered by respondents.[5]

---

[5] Respondents only reply (Br. in Opp. 15) to our showing that other courts regard proof of intentional copying as pro-

(Continued on following page)

5. Finally, respondents attempt (Br. in Opp. 16-18) to downplay the significance of the court of appeals' holding that there could be no likelihood of confusion because respondent AIMS included its name along with its copy of petitioners' graphic on the offending advertisements. (Pet. App. 9a.) But as Judge Kearse forcefully pointed out in her dissent (Pet. App. 15a), "the [panel] majority seem[ed] to believe that as a matter of law there was no likelihood of confusion because AIMS's name appeared on its own ad." And, as we point out in the petition (at 17-18), that aspect of the court of appeals' decision is contrary to *Menendez v. Holt*, 128 U.S. 514, 521 (1888), and conflicts with decisions of several other courts of appeals.

(Continued from previous page)

bative of secondary meaning is that *some* of the cases we rely upon are trade dress cases. But again, as we demonstrate *supra* p. 8, the same legal analysis applies in trade dress cases as in service mark or trademark cases. In trade cases as well as trademark and service mark cases, most courts regard proof of intentional copying as probative of secondary meaning. See 1 *McCarthy* § 15:12, at 688.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted.

STEPHEN M. TRATTNER
LEWIS & TRATTNER
Suite 803
1901 L Street, N.W.
Washington, D.C. 20036
(202) 331-1416

JAMES D. HOLZHAUER
Counsel of Record
LEE N. ABRAMS
MAYER, BROWN & PLATT
190 South LaSalle Street
Chicago, Illinois 60603
(312) 782-0600

Counsel for Petitioner

July 1991